City of **Detroit**

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FISCAL ANALYSIS DIVISION

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ANNE MARIE LANGAN DEPUTY DIRECTOR (313) 224-1078

TO:

COUNCIL MEMBERS

FROM:

Irvin Corley, Jr., Fiscal Analysis Director &

Derrick Headd, Fiscal Staff Analyst

DATE:

July 14, 2009

RE:

Paradise Valley Art Purchase

At the July 8, 2009 meeting of the Planning and Economic Development Committee meeting, the purchase of three pieces of art purchased by the Detroit Economic Growth Corporation (DEGC) for Paradise Valley was discussed.

At the end of the discussion, Councilmember Collins asked the Fiscal Analysis Division to determine how much if any City dollars was spent on the three pieces of art. In addition, Councilmember Collins asked that Fiscal pursue the retrieval of any City funds spent on this art.

Our review of the matter revealed the following. The artwork in question was purchased with approximately \$292,000 in privately donated funds from the Kresge Foundation, via a grant to the DEGC's non-profit arm, the Detroit Economic Growth Association (DEGA). Given these facts, the artwork was not a publicly funded purchase. At the time of this report we are not in possession of the language in the grant or the contract, so we cannot answer the question of a refund and a return of the artwork at this point. We defer to RAD and or CPC on this matter.

Another issue has, however, come to light. It was brought to our attention that \$1.5 million approved by Council for Paradise Valley has to-date, not been forwarded from Planning and Development (PDD)to the DDA/DEGC for Paradise Valley programming. It is our recommendation that PDD speak to this discrepency during the discussion on Paradise Valley/ Harmonie Park.

Please contact us if we can be of any further assistance.

Attachment

Council Divisions

Auditor General's Office Warren Palmer, Planning & Development Department Marja M. Winters, Planning & Development Department Kamau Marable, Mayor's Office

Paradise Valley. Cultural & Entertainment District

DISTRICT VISION & GOALS

... Be a part of the transformation!

The Paradise Valley Cultural and Entertainment District Project is being planned to increase the level of commerce in the historic Harmonie Park area, and through inclusion of new business and economic development activities, create a 24-hour, safe, and walk-able destination spot, featuring a host of local, regional, and national commercial establishments.

The City of Detroit and the Detroit Economic Growth Corporation have developed the following goals for the District:

- The District is to have an African-American cultural influence,
- The District is to have local appeal in its composition of commercial, retail, entertainment, educational, and cultural offerings, serve niche markets, and also have a cross-cultural appeal,
- The District is to promote business development and opportunities for entrepreneurship/business start-ups,
- The District is to adopt a governance structure that encourages cooperation and superior customer service among existing businesses and new businesses to be located in the District,
- The District is to serve as a year-round destination point for Detroit, Michigan, becoming a local, regional, and national draw.

The Paradise Valley Cultural and Entertainment District is being envisioned as a place where everyone from families, to working professionals can come to enjoy a variety of food, entertainment, shopping and recreation in the day, while the sophisticates, young adults, couples, and party-goers can partake in evening and night time entertainment and activities occurring in the District. Please keep the project vision and goals in mind as your business proposal submission is being developed.

Great things are happening in downtown Detroit. Be a part of the transformation!















